

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6955

BILL NUMBER: HB 1184

NOTE PREPARED: Dec 27, 2002

BILL AMENDED:

SUBJECT: Retainage on State Public Works Projects.

FIRST AUTHOR: Rep. Stilwell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: This bill reduces the amount of retainage that may be withheld by a state agency for a public work contract. It provides that a contract for public work is substantially completed if each separate building, public work, or other division of the contract is completed. The bill repeals a provision that allows the Treasurer of State to charge a contractor a fee for services rendered in connection with an escrow account for the deposit of retainage.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill reduces the retainage that may be withheld by a state agency for a public work contract. The reduction in the retainage amount should have no fiscal impact.

The bill also modifies the definition of "substantial completion" to be applied to each division or project in a public works project if the costs can be separated. The change should have no fiscal impact.

Explanation of State Revenues: The bill repeals the State Treasurer's ability to charge a fee for services rendered in connection with the escrow accounts. Currently, the Treasurer's office does not charge any fee, so the repeal would have no fiscal impact.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Treasurer of State, State Agencies.

Local Agencies Affected:

Information Sources: Mike Frick, Treasurer of State, 317-232-6260.

Fiscal Analyst: Chuck Mayfield, 317-232-4825